The "extremely limited circumstances" statement

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MAS consulted on the Part 9 licensing framework in February 2022 and again on the detailed requirements in October 2024, with the second consultation closing on 4 November 2024. It published its response to the second consultation on 30 May 2025 together with the Financial Services and Markets (Digital Token Service Providers) Regulations 2025 and eight Notices, all to take effect on 30 June 2025.[1] The response stated that MAS would not provide any transitional arrangement. A person within Part 9 who did not hold a licence on 30 June 2025 had to suspend or cease the regulated activity on that date.

The one-month notice between the publication of the final rules and their commencement caused alarm in the industry. On 6 June 2025 MAS published a clarification.[2] The clarification made three points. First, Part 9 affects only persons who provide digital token services to customers outside Singapore. It leaves untouched those already licensed or exempt under the Payment Services Act, the SFA or the Financial Advisers Act 2001 for the same activity. Persons serving Singapore customers under those Acts are unaffected and may continue to serve customers abroad as well. Second, MAS said that it would generally not issue licences under Part 9 and that there would be "extremely limited circumstances" in

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which it would do so. The reason given was that a provider whose customers are all abroad presents heightened money laundering and terrorism financing risks, while MAS cannot effectively supervise its conduct towards those customers.[3] Third, an individual employed by a foreign company that provides digital token services abroad does not, by reason of that employment alone, require a licence. The employer may nonetheless need to consider whether the Singapore employee's activities bring the employer within the main Acts.

The statement was described in some press reports as a reversal of policy. It was not. MAS had said in its 2022 consultation response that it would be restrictive in licensing persons under Part 9. The June 2025 statement applied that position to the population of firms that had grown up in the meantime. What changed was the understanding of the industry, many of whose members had assumed that Part 9 would provide a licensing route for the Singapore-flagged global exchange. It provides a prohibition instead.

Notes

1. Allen & Gledhill, "Regulatory framework for digital token service providers under Financial Services and Markets Act 2022 in operation on 30 June 2025", 10 June 2025, recording the MAS response of 30 May 2025 following a consultation that closed on 4 November 2024, the Digital Token Service Providers Regulations 2025 and the commencement on 30 June 2025. ↩
2. Allen & Gledhill, "Clarifications on licensing under Part 9 of Financial Services and Markets Act 2022", June 2025: MAS media release of 6 June 2025 clarifying the scope of Part 9. ↩
3. CMS, "Singapore's June 30 Hard Deadline for Crypto Firms Serving Overseas Customers", 26 June 2025, recording the 6 June 2025 statement that MAS will generally not issue such licences and expects affected persons to stop operating, with licences only in "extremely limited circumstances". ↩

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